

REMARKS

Claim Status

Claims 3-21, 23 and 25-35 are pending in the present application. Claim 24 is canceled without prejudice and without conceding the propriety of the outstanding rejection.

Claim 34 has been amended in an editorial manner to include the term "further." We respectfully request withdrawal of the related objection to claim 34.

Entry of this amendment is believed proper since it at least reduces issues for appeal.

Allowed Claims

Applicants greatly appreciate the indication that claims 3-21 and 23, 25 and 26 are allowed. The remaining claims are also believed to be in condition for allowance.

Art-based Rejection

Claim 30

The final Office Action suggests that the Edgar patent at Col. 15, lines 24-26 teaches "modifying the media signal to reduce or alter the artifacts, wherein said modifying provides a modified media signal". Please see page 3 of the final Office Action, lines 6-9 of paragraph 7. We respectfully disagree.

The cited Col. 15, lines 24-26 references Fig. 9A. Fig. 9A shows two images, which are attached hereto as Appendix A for the Examiner's convenience. The image on the left in Fig. 9A includes a grid 350. For ease of discussion, we'll call this image, "image A." The image on the right (again, for convenience, we'll call this image, "image B") corresponds to image A, but after image A has been scanned by a CCD sensor. Please see, e.g., the Edgar patent at Col. 15, lines 21-24. The resulting image B includes a distorted version of the grid 350, referred to as grid 358.

Recall that claim 30 receives a signal *including* artifacts. The received signal is then modified to *alter or reduce* the artifacts.

Instead of reducing or altering artifacts, the cited Col. 15, lines 24-26, passage acknowledges that distortion or artifacts are introduced to image A through the scanning process, resulting in distorted image B.

Thus, the cited passage does not teach or suggest "modifying the media signal to reduce or alter the artifacts," in combination with other features of claim 30.

Claims 31-35

Since the Edgar patent fails to teach or suggest all of the limitations of claim 30, and since the Ratnakar patent (patent no. 6,556,688) is not relied upon to cure such deficiencies, we respectfully request reconsideration of claims 31-35 as well.

(Moreover, we respectfully disagree with the proposed combination of the Edgar patent and the Ratnakar patent. For example, there is no suggestion in the Edgar patent that its teaching should be considered for use with steganographic decoding. Other deficiencies need not be belabored at this time.)

Claims 27-29

Claim 27 stands rejected over the Edgar patent in view of the Ratnakar patent. We respectfully traverse this rejection.

The final Office Action discusses gamma correction and that gamma correction allegedly removes artifacts intentionally introduced by a user. Please see the final Office Action on page 6, lines 11-13 of paragraph 13, citing the Edgar patent at Col. 21, lines 58-59. The cited Edgar patent passage reads: "Depending on adjustments, most TV monitors have a gamma closer to 1.9."

Right above the quoted sentence, the Edgar patent suggests that, given nonlinearities of the retina, a gamma closer to 2.2 seems to provide a better balance. Please see the Edgar patent at Col. 21, lines 56-58.

The Office Action suggests that since the Ratnakar patent allegedly discusses adjusting an image for rotation and offset, and that these teachings should be combined with the Edgar patent's teaching on Gamma.

But we are not sure how nonlinearities of the retina (the Edgar patent) relate to compensating for rotation (the Ratnakar patent)?

Moreover, there is no suggestion that gamma considerations are at all helpful for detecting digital watermarking, either in the Edgar patent or the Ratnakar patent (related to claim 29).

The cited passages of the Edgar patent are silent with respect to detecting machine-readable codes or steganographic encoding. (And we fail to see any mention of Gamma correction in the Ratnakar patent.)

Thus, we do not think that these patents should be combined as suggested.

We respectfully request that the rejection be removed and that these claims be passed to issuance.

Conclusion

The present application is believed to be in condition for allowance. Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any issue remains.

The Office is authorized to charge our deposit account no. 50-1071 any fees necessary for consideration of this Amendment.

Date: December 7, 2005

Respectfully submitted,

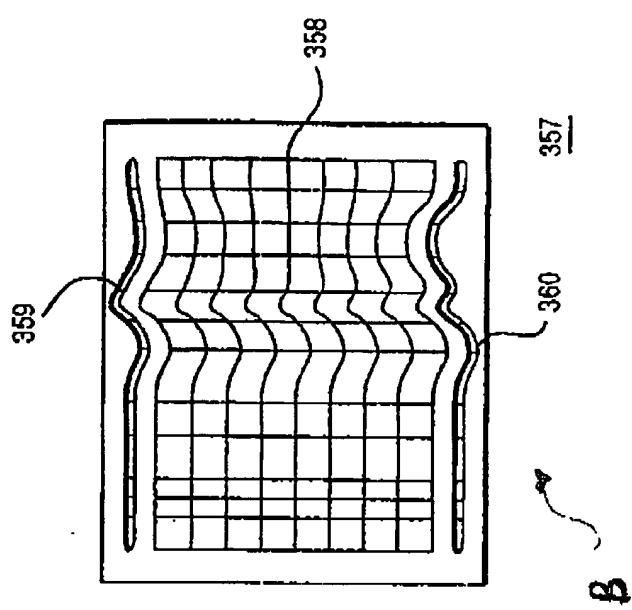
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Appendix A

FIG. 9A

